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FISCAL IMPACT STATEMENT

LS 6954

BILL NUMBER: HB 1359

NOTE PREPARED: Feb 19, 2007

BILL AMENDED: Feb 8, 2007

SUBJECT: Bureau of Motor Vehicles Matters.

FIRST AUTHOR: Rep. Fry

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to redesign, reissue, track the issuance and inventory control of, and enforce the misuse of certain license plates. It requires the State Board of Accounts to perform an audit of license plates issued at each branch office of the BMV. The bill authorizes the funding for the reissuance of certain license plates from the state License Branch Fund.

Effective Date: July 1, 2007.

Explanation of State Expenditures: This bill affects license plates issued under IC 9-18-3-6, which includes plates issued to the State Police Department, the Department of Natural Resources, county police departments, and city police departments.

(1) *Redesign of the License Plates.* The specific expenditures associated with this proposal will depend upon the type of redesign which takes place. Prison Enterprise Network (PEN PRODUCTS), manufacturing and sales arm of prison-made products, charges the BMV for the manufacture of license plates. For the license plates in this bill, PEN PRODUCTS will charge the BMV \$3.80 per plate for single-color printing under the digital license plate system. The charge for multi-color printing on sheeting under the digital license plate system is \$4.30 per plate. For a new design there is a \$450 charge for set-up. The funds affected for redesign of the plates are the PEN PRODUCTS Revolving Fund and the Motor Vehicle Highway Account, which supports the operation of the BMV.

(2) Reissue of the affected license plates likely will increase expenditures. Any expenditures for the reissuance of the affected license plates will come from the state License Branch Fund, which supports the operation of the license branches throughout the state.

(3) Tracking the issuance and inventory control of, and enforcing the misuse of these license plates will increase related expenditures for the BMV. The BMV maintains an inventory of license plates produced and issued; however, they would need to secure the services of individuals more closely associated with the license plates in question in order to determine any misuse which may occur.

(4) Requiring the State Board of Accounts to annually audit the license plates in question is estimated to cost about \$10,000.

Background Information: The following table shows the number of license plates issued to the affected agencies.

| Agency | CY 2006 Plates Issued |
|---------------------------------|-----------------------|
| State Police | 1,235 |
| Department of Natural Resources | 1,150 |
| City Police | 9,320 |
| County Police | 4,514 |
| TOTAL | 16,219 |

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission; State Board of Accounts; State Police; Department of Natural Resources.

Local Agencies Affected: County police departments; City police departments.

Information Sources: Bruce Hartmann, State Examiner, State Board of Accounts, 317-232-2524; Tracey Callahan, Director, BMV Dealer and Special Sales, 317-591-5300; Alisha Walker, Motor Pool, 317-232-1379; Jerry Heistand, Director, BMV, Special Plates, 317-233-2514.

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